

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.H
Mtg. Date May 2, 2017
Dept. City Manager's Office

Item Title: Resolution in Support of the San Diego Water Authority

Staff Contact: Lydia Romero, City Manager

Recommendation:

Consider a request to adopt a resolution (**Attachment A**) in support of the San Diego Water Authority's long term water supply and litigation against Metropolitan Water District of Southern California.

Item Summary:

At the April 18, 2017, City Council meeting, Maureen Stapleton, General Manager of the San Diego Water Authority gave a presentation regarding the Authority's long range water supply plan, as well as an update on the continuing litigation against the Metropolitan Water District of Southern California (MWD.) The City Council directed staff to prepare a Resolution (**Attachment A**) expressing support for the Water Authority's efforts on the litigation against MWD and the long term water supply plan for San Diego County.

Fiscal Impact:

None.

Environmental Review:

☒ Not subject to review

☐ Negative Declaration

☐ Categorical Exemption, Section []

☐ Mitigated Negative Declaration

Public Information:

☒ None

☐ Newsletter article

☐ Notice to property owners within 300 ft.

☐ Notice published in local newspaper

☐ Neighborhood meeting

Attachments:

A. Resolution

RESOLUTION NO. 2017-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA SUPPORTING THE SAN DIEGO COUNTY WATER AUTHORITY'S LONG TERM WATER SUPPLY PLAN AND LITIGATION AGAINST THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

WHEREAS, San Diego County's \$222 billion economy and 3.3 million people depend on the San Diego County Water Authority ("Water Authority") and its member agencies to provide a reliable water supply at a reasonable cost; and

WHEREAS, the Water Authority is a member agency of the Los Angeles based Metropolitan Water District of Southern California ("MWD"), which has historically supplied the Water Authority with water imported from the Colorado River and through the State Water Project; and

WHEREAS, following a severe drought in which San Diego County experienced 31% cutbacks in 1991 and was threatened with 50% water supply cutbacks by MWD, a Declaration of Water Independence and Reliability was declared on July 3, 1996, by San Diego civic and business leaders; and

WHEREAS, over the past 20 years, the Water Authority and its member agencies have successfully transformed the San Diego region from being 95% dependent on MWD in 1990, to approximately 20% by 2020; and

WHEREAS, MWD has fought against the actions the Water Authority has taken to reduce its MWD water purchases including, among other things, establishing rates and charges intended to penalize San Diego and its diversification efforts; and

WHEREAS, these overcharges could cumulatively total more than \$7 billion by 2040; and

WHEREAS, the Water Authority has filed four separate lawsuits against MWD, challenging these rates; and

WHEREAS, a San Francisco Superior Court judge has already ruled in the first two cases that MWD's rates are illegal and awarded the Water Authority more than \$243 million in damages, costs, pre-judgment interest, attorneys' fees and directed MWD by writ of mandate to set lawful rates; and

WHEREAS, MWD has appealed the Court's ruling, denies that it is required to limit its rates to no more than the cost of the services it provides and has not changed its rates in response to the Court's ruling; and

WHEREAS, MWD has engaged and is continuing to engage in a number of highly questionable financial practices, including overcharging ratepayers \$847 million from 2012-2015 (of which, \$189 million was collected from ratepayers in San Diego County, with \$12,618,000 being overcharged to residents and business in the Helix Water District which serves the City of Lemon Grove); spending more than \$1.2 billion outside of its adopted budgets from 2013-2016;

Attachment A

and making plans to spend billions more without having any plan for how it will allocate these costs; and

WHEREAS, MWD's current financial practices present a grave risk to the people and economy of Southern California; and

WHEREAS, a reliable, cost-certain and diverse water supply is vital to the sustained prosperity of all San Diego County residents and business enterprises.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lemon Grove supports fully the Water Authority's rate litigation against MWD that is necessary to recover illegal rates and charges that may be assessed by MWD, now and in the future; and

BE IT FURTHER RESOLVED, that the City of Lemon Grove, supports fully the programs of the San Diego County Water Authority and its member agencies, on behalf of San Diego County, as a free and independent community, to continue to diversify San Diego County's water supply, free of any program or influence by, or subordination to MWD.

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